

Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address  Misty A Perry Isaacson Pagter and Perry Isaacson, APLC 525 N Cabrillo Park Dr Ste 104 Santa Ana, CA 92701  714-541-6072  <i>Plaintiff or Attorney for Plaintiff</i>	FOR COURT USE ONLY
<p align="center"><b>UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA - RIVERSIDE</b></p>	
In re:  Andres Palacios Duque  <div align="right"><i>Debtor(s).</i></div>	CASE NO.: 6:21-bk-10626-SY  CHAPTER: 7  ADVERSARY NUMBER: 6:21-ap-01056-SY
Karl T. Anderson, Chapter 7 Trustee  <div align="right"><i>Plaintiff(s)</i></div> <p align="center">Versus</p> Andres Palacios Duque  (See Attachment A for names of additional defendants) <div align="right"><i>Defendant(s)</i></div>	<p align="center"><b>SUMMONS AND NOTICE OF STATUS CONFERENCE IN ADVERSARY PROCEEDING [LBR 7004-1]</b></p>

TO THE DEFENDANT(S): A Complaint has been filed by the Plaintiff against you. If you wish to defend against the Complaint, you must file with the court a written pleading in response to the Complaint. You must also serve a copy of your written response on the party shown in the upper left-hand corner of this page. The deadline to file and serve a written response is **06/04/2021**. If you do not timely file and serve the response, the court may enter a judgment by default against you for the relief demanded in the Complaint.

A status conference in the adversary proceeding commenced by the Complaint has been set for:

**Date:** August 5, 2021  
**Time:** 09:30 AM  
**Hearing Judge:** Scott H. Yun  
**Location:** 3420 Twelfth St., Crtrm 302, Riverside, CA 92501

This form is mandatory. It has been approved for use in the United States Bankruptcy Court for the Central District of California.

**You must comply with LBR 7016-1, which requires you to file a joint status report and to appear at a status conference.** All parties must read and comply with the rule, even if you are representing yourself. You must cooperate with the other parties in the case and file a joint status report with the court and serve it on the appropriate parties at least 14 days before a status conference. A court-approved joint status report form is available on the court's website (LBR form F 7016-1.STATUS.REPORT) with an attachment for additional parties if necessary (LBR form F 7016-1.STATUS.REPORT.ATTACH). If the other parties do not cooperate in filing a joint status report, you still must file with the court a unilateral status report and the accompanying required declaration instead of a joint status report 7 days before the status conference. **The court may fine you or impose other sanctions if you do not file a status report. The court may also fine you or impose other sanctions if you fail to appear at a status conference.**

KATHLEEN J. CAMPBELL  
CLERK OF COURT

Date of Issuance of Summons and Notice of Status Conference in Adversary Proceeding: May 5, 2021

By: "s/" Cynthia Potier

Deputy Clerk



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This form is mandatory. It has been approved for use in the United States Bankruptcy Court for the Central District of California.

**ATTACHMENT A**  
Names of plaintiffs and defendants

Plaintiff(s):	Defendant(s):
Karl T. Anderson, Chapter 7 Trustee	Andres Palacios Duque Yamilex Palacios Elias Palacios Ana Palacios Nereyda Palacios Ines Palacios

Misty Perry Isaacson, CA SBN 193204

**PAGTER AND PERRY ISAACSON**

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Attorneys for Karl T. Anderson,  
Chapter 7 Trustee

UNITED STATES BANKRUPTCY COURT  
CENTRAL DISTRICT OF CALIFORNIA  
RIVERSIDE DIVISION

In re:

ANDRES PALACIOS DUQUE,

Debtor.

Case No. 6:21-bk-10626-SY

Chapter 7

Adv. No.

KARL T. ANDERSON, Chapter 7 Trustee,

Plaintiff,

v.

ANDRES PALACIOS DUQUE, as trustee of  
the PD FAMILY TRUST; YAMILEX  
PALACIOS, an individual; ELIAS PALACIOS,  
an individual, ANA PALACIOS, an individual,  
NEREYDA PALACIOS, an individual; and  
INES PALACIOS, an individual.

Defendants.

COMPLAINT FOR : (1) AVOIDANCE OF  
ACTUAL FRAUDULENT TRANSFERS; (2)  
AVOIDANCE OF CONSTRUCTIVE  
FRAUDULENT TRANSFERS; (3)  
RECOVERY OF AVOIDED TRANSFERS; (4)  
DECLARATORY RELIEF RE VALIDITY,  
PRIORITY AND EXTENT OF INTEREST IN  
REAL PROPERTY LOCATED AT 5700  
ETIWANDA, MIRA LOMA 91752

[11 U.S.C. §§ 544(b), 549, and 550; Cal. Civ.  
Code §§ 3439.04 & 3439.05]

**Status Conference**

Date: [TO BE SET BY SUMMONS]

Time:

Place: Courtroom  
3420 Twelfth Street  
Riverside, CA 92501

**TO THE HONORABLE SCOTT C. YUN, UNITED STATES BANKRUPTCY JUDGE:**

Plaintiff Karl T. Anderson, the chapter 7 trustee (the "Plaintiff") for the bankruptcy estate  
of *Andres Palacios Duque* ("Duque" or the "Debtor"), avers and complains, by way of this  
Complaint, as follows:

**JURISDICTION AND VENUE**

1  
2 1. In accordance with the requirements of Local Bankruptcy Rule 7008-1, the United  
3 States Bankruptcy Court for the Central District of California, Riverside Division (the  
4 “Bankruptcy Court”) has jurisdiction over this adversary proceeding under 28 U.S.C. § 1334,  
5 since the claims asserted arise under Title 11 of the United States Code or arise or relate to the  
6 chapter 7 case of the Debtor, currently pending in the Bankruptcy Court as Case No. 6:21-bk-  
7 10626-SY (the “Bankruptcy Case”). The outcome of this adversary proceeding will have a  
8 significant effect on the Estate because it asserts claims for the return of property or the  
9 recovery of the value of assets fraudulently transferred by the Debtor and affects the amount of  
10 money available for distribution to creditors of the bankruptcy estate (the “Estate”).

11 2. The claims for relief in this Complaint constitute a core proceeding under 28  
12 U.S.C. § 157(b)(2)(H). Regardless of whether this is a core proceeding, consent is given to the  
13 entry of final orders and judgment by the Bankruptcy Court. Defendants are notified that Fed.  
14 R. Bank. P. 7012(b) requires defendants to state whether they do or do not consent to the entry  
15 of final orders and judgment by the Bankruptcy Court.

16 3. Venue is proper in the Bankruptcy Court pursuant to 28 U.S.C. §§ 408 and 1409  
17 because the Bankruptcy Case is pending in this district and division. The Bankruptcy Court  
18 also has personal jurisdiction over the defendants.

**PARTIES**

19  
20 4. On February 8, 2021 (the “Petition Date”), the Debtor commenced this case file  
21 filing a Voluntary Petition under chapter 7 of the Bankruptcy Code.

22 5. Plaintiff, being duly qualified, was appointed and presently is the acting chapter 7  
23 trustee of the Estate. Plaintiff brings this action solely in his capacity as trustee for the benefit  
24 of the Debtor’s estate and its creditors. Because the Plaintiff was appointed after the  
25 occurrence of the majority of the facts alleged in this Complaint, he has no personal knowledge  
26 of such facts. Accordingly, Plaintiff alleges all such facts on information and belief based on a  
27 review of documents and pleadings in this bankruptcy case and in other litigation. To the extent  
28 that Plaintiff hereby asserts claims under 11 U.S.C. § 544(b), Plaintiff is informed and believes,

1 and on that basis alleges thereon, that there exists in this case one or more creditors holding  
2 unsecured claims allowable under 11 U.S.C. § 502 or that are not allowable only under 11  
3 U.S.C. § 502(e) who could have avoided the respective transfers under California or other  
4 applicable law before the voluntary petition was filed.

5 6. Defendant, Andres Palacios Duque, in his capacity as trustee of the PD Family  
6 Trust, is an individual resident of the State of California and resides within the jurisdiction of this  
7 Court. At all relevant times, Debtor was a person for whose benefit the recoverable transfers  
8 alleged in the Complaint were made; and/or an immediate or mediate transferee of such  
9 recoverable transfers.

10 7. Defendant Yamilex Palacios ("Yamilex") is an individual resident of the State of  
11 California and resides within the jurisdiction of this Court. At all relevant times, Yamilex was a  
12 person for whose benefit the recoverable transfers alleged in this Complaint were made; and/or  
13 an immediate or mediate transferee of such recoverable transfers.

14 8. Plaintiff is informed and believes, and on that basis alleges thereon, that Yamilex  
15 is the Debtor's daughter and, therefore, is an insider of the Debtor as that term is defined in 11  
16 U.S.C. § 101(31).

17 9. Defendant Elias Palacios ("Elias") is an individual resident of the State of  
18 California and resides within the jurisdiction of this Court. Plaintiff is informed and believes, and  
19 on that basis alleges thereon, that Elias is the Debtor's brother.

20 10. Defendant Ana Palacios ("Ana") is an individual resident of the State of California  
21 and resides within the jurisdiction of this Court. Plaintiff is informed and believes, and on that  
22 basis alleges thereon, that Ana is the Debtor's niece.

23 11. Defendant Nereyda Palacios ("Nereyda") is an individual resident of the State of  
24 California and resides within the jurisdiction of this Court. Plaintiff is informed and believes, and  
25 on that basis alleges thereon, that Nereyda is the Debtor's sister.

26 12. Defendant Ines Palacios ("Ines") is an individual resident of the State of California  
27 and resides within the jurisdiction of this Court. Plaintiff is informed and believes, and on that  
28 basis alleges thereon, that Ines is the Debtor's sister-in-law.

**GENERAL ALLEGATIONS**

13. On or November 3, 2005, the Debtor purchased certain real property commonly known as and located at 5700 Etiwanda, Jurupa Valley, California 91752 ("Etiwanda Property") for \$775,000 from the Rebelo Family 2002 Trust.

14. Shortly after the purchase of the Etiwanda Property the Debtor was incarcerated off and on until approximately 2015.

15. On or about August 15, 2015, Nereyda Palacios as Attorney in fact for the Debtor transferred the Etiwanda Property to Kenia L. Palacios Pineda via Grant Deed, which was recorded in Official Records of the County of Riverside on August 17, 2015.

16. On or about April 7, 2016, Kenia L. Palacios Pineda transferred the Etiwanda Property back to Debtor via Grant Deed, which was recorded in the Official Records of the County of Riverside on April 14, 2016.

17. On or about April 25, 2016, the Debtor established the PD family Trust with the Debtor as the Trustee.

18. On or about May 2, 2016, the Debtor transferred for "No value or Consideration" the Etiwanda Property to PD Family Trust, Andres Palacios Duque as Trustee via Grant Deed ("Trust Transfer"). The Trust Transfer was recorded in the Official Records of the County of Riverside on July 11, 2019.

19. Plaintiff is informed and believes, and on that basis alleges thereon the Debtor is a beneficiary of the PD Family Trust.

20. On or about August 1, 2016, Elias, Ana, Nereyda, and Ines ("RSSC Plaintiffs") filed a complaint ("RSSC Complaint") in the Superior Court of California for the County of Riverside (Case No. RIC 1609862) for Partition of Real and Personal Properties against the Debtor ("RSSC Case").

21. Among other things, the RSSC Complaint alleged that while the Debtor was incarcerated, Ana and Elias agreed to make the mortgage, real property tax and insurance payments on the Etiwanda Property. In return the Debtor represented that Elias and Nereyda would each be entitled to a one-third interest in the Etiwanda Property. The RSSC Complaint

1 further alleged that based on the Debtor's representations, Elias and Nereyda made such  
2 payments and therefore were entitled to an accounting and partition by sale of the Etiwanda  
3 Property.

4 22. On or about August 5, 2016, counsel for the RSSC Plaintiffs caused a Notice of  
5 Pending Action ("Lis Pendens") to be recorded in the Official Records of the County of  
6 Riverside, identified by instrument number 2016-0334586. A true and correct copy of the Lis  
7 Pendens is attached hereto as Exhibit A and incorporated herein by reference.

8 23. On or about November 21, 2017, the RSSC Plaintiffs and the Debtor entered into  
9 a settlement agreement to resolve the RSSC Case. Among other things, the settlement  
10 agreement provided that the RSSC Plaintiffs would relinquish all rights, title and interests to the  
11 Etiwanda property to the Debtor. On March 9, 2018, the RSSC entered its order authorizing the  
12 parties' settlement agreement. Notwithstanding the requirement to do so, the Lis Pendens was  
13 not released by the RSSC Plaintiffs from the Etiwanda Property.

14 24. The RSSC Case order approving settlement agreement also provided that the  
15 Debtor was required to pay Nereyda the sum of \$55,000. Having failed to comply with the  
16 terms of the RSSC case settlement agreement, on February 2, 2021, the RSSC granted  
17 Nereyda's motion for enforcement of settlement agreement and ordered that Debtor pay  
18 Nereyda the principal judgment amount of \$55,000, plus interest and attorney fees.

19 25. On or about June 11, 2020, Andres Palacios Duque, Trustee of the PD Family  
20 Trust transferred the Etiwanda Property to Yamilex Palacios via Grant Deed as a "bonafide gift  
21 and the grantor [Debtor] received nothing in return." The transfer to Yamilex was recorded in  
22 Official Records of the County of Riverside on June 18, 2020 (the "Fraudulent Transfer"). A  
23 true and correct copy of the Grant Deed is attached hereto as Exhibit B and incorporated herein  
24 by reference.

25 26. Plaintiff is informed and believes, and on that basis alleges thereon, that the  
26 Debtor received no consideration for either the Trust Transfer or the Fraudulent Transfer  
27 (collectively the "Transfers"). Each of these transfers was made with the actual intent to hinder,  
28 delay, or defraud the present and future creditors of the Debtor. As a result of these Transfers,



1 the bankruptcy estate cannot pay the claims of its creditors in full or in amounts that it would  
2 otherwise have been able to pay.

3 27. Each of the Transfers removed assets from the Debtor for the benefit of the PD  
4 Family Trust and Yamilex at the expense of the Debtor's then existing and anticipated creditors.

5 28. In addition to his Voluntary Petition, on February 8, 2021, the Debtor filed with the  
6 Bankruptcy Court, schedules (the "Schedules") and a statement of financial affairs (the  
7 "SOFA"). The Schedules and SOFA were executed by the Debtor under penalty of perjury and  
8 certified as being true and correct.

9 29. The Schedules do not list Nereyda as a creditor of the Debtor's Estate.

10 30. The Schedules do not list the Etiwanda Property as an asset of the Debtor's  
11 Estate.

12 31. In response to question number 7 on the SOFA, requiring the Debtor to list  
13 whether he had made any payment on a debt he owed to an insider within one year  
14 immediately preceding the commencement of the case, the Debtor checked the box marked  
15 "No."

16 32. In response to question number 8 on the SOFA, requiring the Debtor to list  
17 whether he made any payments or transferred any property on account of a debt that benefited  
18 an insider within one year immediately preceding the commencement of the case, the Debtor  
19 checked the box marked "No."

20 33. In response to question number 13 on the SOFA, requiring the Debtor to list  
21 whether he had made any gifts totaling more than \$600 per person within two years  
22 immediately preceding the commencement of the case, the Debtor checked the box marked  
23 "No."

24 34. In response to question number 18 on the SOFA, requiring the Debtor to list  
25 whether, within two years before his bankruptcy, he had sold, traded, or otherwise transferred  
26 any property to anyone, other than property transferred in the ordinary course of his business or  
27 financial affairs, the Debtor checked the box marked "No."

**FIRST CLAIM FOR RELIEF**

**Avoidance and Recovery of Fraudulent Transfer Based on Intent to Hinder, Delay or Defraud Creditors – Cal. Civ. Code § 3439.04(a)(1); 11 U.S.C. § 544(b)(1)  
(Against Andres Palacios Duque and Yamilex Palacios)**

35. Plaintiff realleges and incorporates herein by reference each and every allegation contained in paragraphs 1 through 34 as though set forth in full.

36. Through each of the Transfers, the Debtor transferred property within four (4) years prior to the Petition Date with the actual intent to hinder, delay, and defraud contemporary and future creditors.

37. As a result of the Transfers, the Debtor's Estate and its creditors have been injured.

38. Plaintiff is entitled to avoid the Transfers for the benefit of the Debtor's Estate and creditors pursuant to 11 U.S.C. § 544(b)(1).

**SECOND CLAIM FOR RELIEF**

**Avoidance of Fraudulent Conveyance Based on Lack of Reasonably Equivalent Value and Incurrence of Excessive Debts – Cal. Civ. Code § 3439.04(a)(2); 11 U.S.C. § 544(b)(1)  
(Against Andres Palacios Duque and Yamilex Palacios)**

39. Plaintiff realleges and incorporates herein by reference each and every allegation contained in paragraphs 1 through 38 as though set forth in full.

40. Through each of the Transfers occurring within four (4) years of the Petition Date, the Debtor transferred the Etiwanda Property prior to the Petition Date without receiving a reasonably equivalent value in exchange for the Transfers.

41. At the time of the Transfers occurring within four (4) years of the Petition date, the Debtor intended to incur, or believed or reasonably should have believed that he would incur, debts beyond his ability to pay as they became due.

42. As a result of the Transfers occurring within four (4) years of the Petition Date, the Debtor's Estate and its creditors have been injured.

43. Plaintiff is entitled to avoid the Transfers for the benefit of the Debtor's Estate and creditors pursuant to 11 U.S.C. § 544(b)(1).

**THIRD CLAIM FOR RELIEF**

**Avoidance of Fraudulent Conveyance Based on Lack of Reasonably Equivalent Value  
and Insolvency – Cal. Civ. Code § 3439.05(a); 11 U.S.C. § 544(b)(1)  
(Against Andres Palacios Duque and Yamilex Palacios)**

44. Plaintiff realleges and incorporates herein by reference each and every allegation contained in paragraphs 1 through 43 as though set forth in full.

45. Each of the Transfers occurred at a time when Nereyda, City of Jurupa Valley Trash Collection, County of Riverside Tax Collector, California Franchise Tax Board, California State Board of Equalization, and the City of Riverside were creditors of the Debtor (collectively the "Creditors").

46. The Transfers of the Etiwanda Property prior to the Petition Date were made by the Debtor without receiving a reasonably equivalent value in exchange for the transfer.

47. At the time of the Transfers, the Debtor was insolvent or became insolvent as a result of such Transfers.

48. As a result of the Transfers, the Debtor's Estate and its creditors have been injured.

49. Plaintiff is entitled to avoid the Transfers for the benefit of the Debtor's Estate and creditors pursuant to 11 U.S.C. § 544(b)(1).

**FOURTH CLAIM FOR RELIEF**

**Avoidance of Fraudulent Conveyance Based on Intent to Hinder, Delay,  
or Defraud Creditors – 11 U.S.C. § 548(a)(1)(A)  
(Against Andres Palacios Duque and Yamilex Palacios)**

50. Plaintiff realleges and incorporates herein by reference each and every allegation contained in paragraphs 1 through 49 as though set forth in full.

51. Through the Transfers, the Debtor transferred the Etiwanda Property within two (2) years prior to the Petition Date with actual intent to hinder, delay, and defraud contemporary and future creditors.

52. As a result of the Transfers, the Debtor's Estate and its creditors have been injured.

53. Plaintiff is entitled to avoid the Transfers for the benefit of the Debtor's Estate and creditors pursuant to 11 U.S.C. § 548(a)(1)(A).

#### **FIFTH CLAIM FOR RELIEF**

#### **Avoidance of Fraudulent Conveyance Based on Lack of Reasonably Equivalent Value, Insolvency or Incurrence or Excessive Debts – 11 U.S.C. § 548(a)(1)(B) (Against Andres Palacios Duque and Yamilex Palacios)**

54. Plaintiff realleges and incorporates herein by reference each and every allegation contained in paragraphs 1 through 53 as though set forth in full.

55. Through the Transfers occurring within two (2) years prior to the Petition Date, the Debtor transferred the Etiwanda Property prior to the Petition Date without receiving reasonably equivalent value in exchange for the transfer.

56. At the time of the Transfers occurring within two (2) years prior to the Petition Date, the Debtor intended to incur, or believed or reasonably should have believed that the Debtor would incur, debts beyond the Debtor's ability to pay as they became due.

57. At the time of the Transfers occurring within two (2) years prior to the Petition Date, the Debtor insolvent or became insolvent as a result of such Transfers.

58. As a result of the Transfers occurring within two (2) years prior to the Petition Date, the Debtor's Estate and its creditors have been injured.

59. Plaintiff is entitled to avoid the Transfers occurring within the two (2) years prior to the Petition Date for the benefit of the Debtor's Estate and creditors pursuant to 11 U.S.C. § 548(a)(1)(B).

**SIXTH CLAIM FOR RELIEF**

**Avoidance of Fraudulent Conveyance Based on Intent to Hinder, Delay,  
or Defraud Creditors – 11 U.S.C. § 548(e)**

**(Against Andres Palacios Duque, Trustee of the PD Family Trust)**

60. Plaintiff realleges and incorporates herein by reference each and every allegation contained in paragraphs 1 through 59 as though set forth in full.

61. Through the Trust Transfer, the Debtor transferred the Etiwanda Property within ten (10) years prior to the Petition Date to a self-settled trust to which he is a beneficiary and retained possession or control of the Etiwanda Property after the Trust Transfer.

62. The Trust Transfer was made with actual intent to hinder, delay, and defraud the Debtor's contemporary and future creditors to whom he was or would become indebted.

63. As a result of the Transfers, the Debtor's Estate and its creditors have been injured.

64. Plaintiff is entitled to avoid the Transfers for the benefit of the Debtor's Estate and creditors pursuant to 11 U.S.C. § 548(e)(1).

**SEVENTH CLAIM FOR RELIEF**

**Common Law Avoidance of Fraudulent Conveyance – 11 U.S.C. § 544(b)(1)**

**(Against Andres Palacios Duque and Yamilex Palacios)**

65. Plaintiff realleges and incorporates herein by reference each and every allegation contained in paragraphs 1 through 64 as though set forth in full.

66. Through each of the Transfers, the Debtor transferred property within seven (7) years prior to the Petition Date with actual intent to hinder, delay, and defraud contemporary and future creditors.

67. Through each of the Transfers, the Debtor transferred the Etiwanda Property prior to the Petition Date without receiving a reasonably equivalent value in exchange for the transfer.

68. At the time of the Transfers, the Debtor incurred, or believed or reasonably should have believed that the Debtor would incur, debts beyond the Debtor's ability to pay as they became due.

69. At the time of the Transfers, the Debtor was insolvent as a result of such Transfers.

70. As a result of the Transfers, the Debtor's Estate and its creditors have been injured.

71. Plaintiff is entitled to avoid the Transfers for the benefit of the Debtor's Estate and creditors pursuant to 11 U.S.C. § 544(b)(1).

**EIGHTH CLAIM FOR RELIEF**

**Recovery of Avoided Conveyances or Value Thereof – 11 U.S.C. § 550**

**(Against Andres Palacios Duque and Yamilex Palacios)**

72. Plaintiff realleges and incorporates herein by reference each and every allegation contained in paragraphs 1 through 71 as though set forth in full.

73. With respect to the Transfers, Andres Palacios Duque as Trustee of the PD Family Trust and Yamilex was either (i) an initial transferee, (ii) a person for whose benefit the Transfers were made, or (iii) an immediate or mediate transferee.

74. To the extent that either Andres Palacios Duque as Trustee of the PD Family Trust or Yamilex was an initial transferee of the Debtor in connection with the Transfers, or a person for whose benefit any of the Transfers were effectuated for, Plaintiff is entitled to recover the Etiwanda Property or its value from Andres Palacios Duque as Trustee of the PD Family Trust or Yamilex pursuant to 11 U.S.C. § 550(a)(1).

75. To the extent that either Andres Palacios Duque as Trustee of the PD Family Trust or Yamilex was an mediate or immediate transferee that received the Etiwanda Property derived from the Transfers, from one or more other transferees, Plaintiff is entitled to recover the Etiwanda Property or its value from Andres Palacios Duque as Trustee of the PD Family Trust or Yamilex pursuant to 11 U.S.C. § 550(a)(2).

**NINTH CLAIM FOR RELIEF**

**Declaratory Relief**

**(Against Elias Palacios, Ana Palacios, Nereyda Palacios, and Ines Palacios)**

76. Plaintiff realleges and incorporates herein by reference each and every allegation contained in paragraphs 1 through 75 as though set forth in full.

77. Plaintiff has a duty to reduce property of the Estate to money under 11 U.S.C. § 704(a)(1).

78. An actual controversy has arisen as a result of the recording of the Lis Pendens by the RSSC Plaintiffs against the Etiwanda Property.

79. Plaintiff alleges that upon the RSSC Court's order approving the settlement agreement, the RSSC Plaintiffs were required to record with the Riverside County Recorder, a release of the Lis Pendens against the Etiwanda Property, however, they failed to do so.

80. Prior to the filing of the within adversary action, Plaintiff reached out to Counsel for the RSSC Plaintiffs on several occasions attempting to obtain the voluntary release of the Lis Pendens. Such attempts were unsuccessful.

81. The Plaintiff is entitled to entry of Judgment specifying that RSSC Plaintiffs do not hold any interest against the Etiwanda Property and that the Lis Pendens should be expunged and/or exonerated.

**PRAYER FOR RELIEF**

**WHEREFORE**, Plaintiff prays for judgment as follows:

**ON THE FIRST THROUGH THE SEVENTH CLAIM FOR RELIEF**

1. For entry of a judgment that the Transfers set forth therein be avoided for the benefit of the Debtor's Estate;

**ON THE EIGHTH CLAIM FOR RELIEF**

2. For entry of a judgment that the Transfers set forth therein be set aside and the Etiwanda Property transferred or the value thereof be recovered for the benefit of the Debtor's Estate;

ON THE NINTH CLAIM FOR RELIEF

3. For entry of a judgment that the RSSC Plaintiffs do not have a valid interest in the Etiwanda Property and that the Lis Pendens against the Etiwanda Property shall be expunged and/or exonerated;

ON ALL CLAIMS FOR RELIEF

4. For interest as permitted by law from the date of the Transfers;

5. For costs of suit incurred herein, including, without limitation, attorneys' fees; and

6. For such other and further relief as the Court deems just and proper.

Date: May 4, 2021

**PAGTER AND PERRY ISAACSON**

/s/ Misty Perry Isaacson

By:

Misty Perry Isaacson, Attorneys for  
Plaintiff Karl T. Anderson, Chapter 7  
Trustee



# EXHIBIT A

Exhibit A

RECORDING REQUESTED BY  
PD FAMILY TRUST

WHEN RECORDED MAIL TO  
AND MAIL TAX STATEMENTS TO

PD FAMILY TRUST  
5700 Etiwanda Avenue  
Jurupa Valley, CA 91752

**2019-0255042**

07/11/2019 11:52 AM Fee: \$ 89.00

Page 1 of 1

Recorded in Official Records  
County of Riverside  
Peter Aldana  
Assessor-County Clerk-Recorder



1080	
Cert	CC

**GRANT DEED**

TITLE ORDER NO. N / A

ESCROW NO. N / A

APN NO. 161-140-002

THE UNDERSIGNED GRANTOR(s) DECLARE(s)

DOCUMENTARY TRANSFER TAX is \$ No Value or Consideration CITY TAX \$ 0.00 Gift

- ☐ computed on full value of property conveyed, or computed on full value less value of liens or encumbrances remaining at time of sale,  
☐ Unincorporated area: ☐ City of Jurupa Valley, and

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,  
**ANDRES PALACIOS DUQUE**

hereby GRANT(s) to **PD FAMILY TRUST, AS TRUSTEE.**  
*ANDRES PALACIOS DUQUE*

the following described real property in the County of Riverside

State of California

Legal address: Lot 2.32, Acres in Por Lot 7 Abbreviated Description: Lot 2.32, Acres in Por Lot 7 City/Muni/Twp: Jurupa Valley, State of California, County of Riverside, City of Mira Loma.  
APN 161-140-002. Common address: 5700 Etiwanda Avenue, Jurupa Valley, CA 91752.

Dated 5-2-16  
*Andres Palacios Duque*  
**ANDRES PALACIOS DUQUE**

"This is a bonafide gift and the grantor received nothing in return, R & T 11911"

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA }  
COUNTY OF Los Angeles }

ON MAY 1st, 2016 before me, BEATRIZ TAGLE - Notary Public  
Notary Public, personally appeared ANDRES PALACIOS DUQUE

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity (ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

*E. Tagle*  
\_\_\_\_\_  
Signature



Exhibit A

# EXHIBIT B

Exhibit B

PLEASE COMPLETE THIS INFORMATION  
RECORDING REQUESTED BY:

Yamilex Palacios

AND WHEN RECORDED MAIL TO:  
AND MAIL TAX STATEMENTS TO:

5700 Etowanda Ave  
Urupa Valley CA 91752

Page 1 of 4

Recorded in Official Records  
County of Riverside  
Peter Aldana  
Assessor-County Clerk-Recorder



690

Space above this line for recorder's use only

# 161-140-002

Title of Document

Grant Deed.

TRA: \_\_\_\_\_

DTT: Q

**Exemption reason declared pursuant to Government Code 27388.1**

- ☐ This document is a transfer that is subject to the imposition of documentary transfer tax.
- ☐ This is a document recorded in connection with a transfer that is subject to the imposition of documentary transfer tax.  
Document reference: \_\_\_\_\_
- ☒ This document is a transfer of real property that is a residential dwelling to an owner-occupier.
- ☐ This is a document recorded in connection with a transfer of real property that is a residential dwelling to an owner-occupier.  
Document reference: \_\_\_\_\_

THIS PAGE ADDED TO PROVIDE ADEQUATE SPACE FOR RECORDING INFORMATION  
(\$3.00 Additional Recording Fee Applies)

**RECORDING REQUESTED BY:**

Ticor Title Company of CA

**Escrow No.:** 00701860-001-CGZ

**Title No.:** 701860-001-JC

**WHEN RECORDED MAIL DOCUMENT AND  
TAX STATEMENT TO:**

Andres Palacios Duque  
5700 Etiwanda Avenue  
Jurupa Valley, CA 91752

**APN:** 161-140-002

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**GRANT DEED**

THE UNDERSIGNED GRANTOR(s) DECLARE(s)

DOCUMENTARY TRANSFER TAX is \$ 0.00 CITY TAX \$ 0.00

- ☐ computed on full value of interest or property conveyed, or  
☐ computed on full value of items or encumbrances remaining at time of sale,  
☐ Unincorporated area      X      City of Jurupa Valley, and

"This is a bonafide gift and the grantor received nothing in return, R & T 11911."

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

**Andres Palacios Duque, Trustee of the PD Family Trust**

hereby GRANT(s) to

**Yamilex Palacios, a Single Woman**

the following real property in the City of Jurupa Valley County of Riverside, State of California:

**SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF**

Dated: June 11, 2020

The PD Family Trust dated April 25, 2016

  
Andres Palacios Duque, Trustee

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )  
County of Orange ) SS:

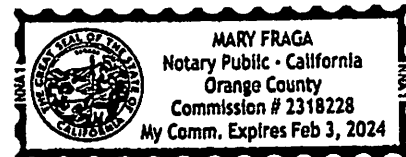
On June 12, 2020 before me, Mary Fraga - Notary Public  
a Notary Public, personally appeared Andres Palacios Deque

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature [Signature] (Seal)



**EXHIBIT A**

**LEGAL DESCRIPTION**

THE LAND REFERRED TO HEREIN BELOW IS SITUATED JURUPA VALLEY, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

The Northerly rectangular one-half of Wineland Vineyards, in the City of Jurupa Valley, County of Riverside, State of California, as shown by Map on file in Book 10 Page 80 of Maps, records of Riverside County, California.

Excepting therefrom that portion thereof described as follows:

Beginning at the Southwesterly corner of the Northerly rectangular one-half of said Lot 7 ; thence Easterly along the Southerly line of said Northerly rectangular one-half of said Lot, 115 feet; thence Northerly parallel with the Westerly line of said Lot, 70 feet; thence Westerly parallel with the Southerly line of the Northerly rectangular one-half of said Lot, 115 feet to the Westerly line of said Lot; thence Southerly along the Westerly line of said Lot to the point of beginning; also excepting therefrom an easement in favor of the public over the Westerly 30 feet thereof included in Etiwanda Avenue.

For APN/Parcel ID(s): 161-140-002

*Effective August 1, 2020*

## STATUS CONFERENCE PROCEDURES FOR THE HON. SCOTT H. YUN

The court will set an initial status conference in all adversary proceedings and chapter 11 cases. Trial counsel must appear at the initial adversary proceeding status conference in person, and debtor's counsel must appear at the initial chapter 11 status conference in person. Unless otherwise ordered by the court, parties and counsel may attend subsequent status conferences telephonically in accordance with Judge Yun's telephonic appearance procedures (which are available on the court's website, [www.cacb.uscourts.gov](http://www.cacb.uscourts.gov), by clicking on "Judges," "Our Judges," and then the judge's name).

### I. STATUS REPORTS

A. A thorough, written status report, filed fourteen days in advance of the hearing, is required before **every initial or continued** adversary proceeding and chapter 11 status conference. For adversary proceeding status conferences, the status report must be a joint status report using Local Bankruptcy Rule Form F 7016-1.STATUS.REPORT. This form is available on the court's website. Failure to file a joint status report may result in the imposition of monetary sanctions or the status conference being continued and parties being ordered to redo the status report to conform to the Local Bankruptcy Rule form. For chapter 11 status conferences, please **do not** use the optional form F 2081-1.1.C11.STATUS.RPT.

B. Pursuant to Local Bankruptcy Rule ("LBR") 7016-1(a)(3), if a defendant has not responded to the complaint or fails to cooperate in the preparation of a joint status report, the plaintiff is required to file a unilateral status report not less than seven days before the date scheduled for the status conference. The unilateral status report shall include a declaration setting forth the attempts made by the plaintiff to contact or obtain the cooperation of the defendant in the preparation of a joint status report.

A status report (either joint or unilateral) is not required **only** in the following limited circumstances:

1. The matter is an adversary proceeding and, prior to the date scheduled for the status conference, the court has entered an order approving a stipulation that resolves all issues raised by the adversary proceeding that provides either for dismissal of the action in its entirety or the entry of judgment in the action.
2. Prior to the date scheduled for the status conference, the court has entered an order approving a stipulation continuing the status conference to a later date (a written status report must be filed not less than fourteen days in advance of the continued status conference date).



*Effective August 1, 2020*

3. The court has expressly relieved the parties of the obligation to file a written status report.

Unless one of the three exceptions outlined above applies, status reports must be filed in a timely manner. Parties that fail to do so may be subject to a minimum sanction of \$500.00, or such other sanctions as may be warranted under the circumstances or allowed under LBR 7016-1(f) and 11 U.S.C. § 105.

Failure to appear for a status conference in an adversary proceeding may also result in a minimum sanction of \$750.00, dismissal of the adversary proceeding for failure to prosecute, or such other sanctions as may be warranted under the circumstances or allowed under LBR 7016-1(f) and 11 U.S.C. § 105.

## **II. DEFAULT**

If a response to the complaint is not timely filed, the plaintiff should file a request for entry of default by the clerk. The plaintiff also may request entry of a default judgment by filing and serving (if necessary) an appropriate motion with supporting evidence. See Fed. R. Bankr. P. 7055 and LBR 9021-1(d).

## **III. FINAL JUDGMENT**

If the parties dispute whether the court can enter a final judgment or order in the adversary proceeding, they must file points and authorities in support of their positions. Any party contending that the court cannot enter a final judgment must file and serve a memorandum of points and authorities, along with evidence, in support of its position no less than fourteen days before the initial status conference. Any response must be filed at least seven days before the initial status conference. **If a party does not file and serve its papers in a timely manner, that failure may be deemed consent to whatever determination the court makes.**

## **IV. JURY TRIAL**

Any party claiming a right to trial by jury must make a timely demand as set forth in LBR 9015-2. Any party asserting a right to a jury trial must file and serve a memorandum of points and authorities, along with evidence, in support of its position no less than fourteen days before the initial status conference. Any response must be filed at least seven days before the initial status conference. **If a party does not file and serve its papers in a timely manner, that failure may be deemed consent to whatever determination the court makes.**

## **V. MISCELLANEOUS FOR ADVERSARY PROCEEDINGS**

1. Unless otherwise ordered by the court, within seven days after the initial status conference, the plaintiff must submit a scheduling order.

*Effective August 1, 2020*

2. A copy of these instructions—including LBR Form F 7016-1.STATUS.REPORT attached as Exhibit A—must be attached to every copy of the complaint served upon a party, and the proof of service must state that a copy of these instructions was served along with a copy of the summons and complaint.

# EXHIBIT A

(The plaintiff shall attach a copy of Local Rule Form  
F 7016-1.STATUS.REPORT here)

Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address          <div style="display: flex; align-items: flex-start;"> <input style="margin-right: 5px;" type="checkbox"/> <i>Individual appearing without attorney</i>  <input style="margin-right: 5px;" type="checkbox"/> <i>Attorney for:</i> </div>	FOR COURT USE ONLY
<b>UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA - **SELECT DIVISION**</b>	
In re:          <div style="text-align: right;">Debtor(s).</div>	CASE NO.:  ADVERSARY NO.:  CHAPTER:
<div style="text-align: center;">           vs.           <div style="display: flex; justify-content: space-between;"> <div>Plaintiff(s).</div> <div>Defendant(s).</div> </div> </div>	<div style="text-align: center; padding: 10px;"> <b>JOINT STATUS REPORT [LBR 7016-1(a)(2)]</b> </div> <div style="padding: 5px;">           DATE:            TIME:            COURTROOM:            ADDRESS:         </div>

The parties submit the following JOINT STATUS REPORT in accordance with LBR 7016-1(a)(2):

**A. PLEADINGS/SERVICE:**

- |   |                              |                             |
|---|------------------------------|-----------------------------|
| 1. Have all parties been served with the complaint/counterclaim/cross-claim, etc. (Claims Documents)? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 2. Have all parties filed and served answers to the Claims Documents?                                 | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 3. Have all motions addressed to the Claims Documents been resolved?                                  | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 4. Have counsel met and conferred in compliance with LBR 7026-1?                                      | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

---

This form is mandatory. It has been approved for use in the United States Bankruptcy Court for the Central District of California.

5. If your answer to any of the four preceding questions is anything other than an unqualified "YES," please explain below (*or on attached page*):

**B. READINESS FOR TRIAL:**

1. When will you be ready for trial in this case?

Plaintiff

Defendant

2. If your answer to the above is more than 4 months after the summons issued in this case, give reasons for further delay.

Plaintiff

Defendant

3. When do you expect to complete your discovery efforts?

Plaintiff

Defendant

4. What additional discovery do you require to prepare for trial?

Plaintiff

Defendant

**C. TRIAL TIME:**

1. What is your estimate of the time required to present your side of the case at trial (*including rebuttal stage if applicable*)?

Plaintiff

Defendant

2. How many witnesses do you intend to call at trial (*including opposing parties*)?

Plaintiff

Defendant

3. How many exhibits do you anticipate using at trial?

Plaintiff

Defendant

**D. PRETRIAL CONFERENCE:**

A pretrial conference is usually conducted between a week to a month before trial, at which time a pretrial order will be signed by the court. [See LBR 7016-1.] If you believe that a pre-trial conference is not necessary or appropriate in this case, please so note below, stating your reasons:

Plaintiff

Pretrial conference ☐ is ☐ is not requested  
Reasons:

Defendant

Pretrial conference ☐ is ☐ is not requested  
Reasons:

Plaintiff

Pretrial conference should be set after:  
(date) \_\_\_\_\_

Defendant

Pretrial conference should be set after:  
(date) \_\_\_\_\_

**E. SETTLEMENT:**

1. What is the status of settlement efforts?

2. Has this dispute been formally mediated? ☐ Yes ☐ No  
If so, when?

3. Do you want this matter sent to mediation at this time?

Plaintiff

☐ Yes ☐ No

Defendant

☐ Yes ☐ No

**F. FINAL JUDGMENT/ORDER:**

Any party who contests the bankruptcy court's authority to enter a final judgment and/or order in this adversary proceeding must raise its objection below. Failure to select either box below may be deemed consent.

Plaintiff

☐ I do consent

☐ I do not consent

to the bankruptcy court's entry of a final judgment  
and/or order in this adversary proceeding.

Defendant

☐ I do consent

☐ I do not consent

to the bankruptcy court's entry of a final judgment  
and/or order in this adversary proceeding.

**G. ADDITIONAL COMMENTS/RECOMMENDATIONS RE TRIAL: (Use additional page if necessary)**

Respectfully submitted,

Date: \_\_\_\_\_

\_\_\_\_\_  
Printed name of law firm

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed name

Attorney for: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Printed name of law firm

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed name

Attorney for: \_\_\_\_\_

## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:  
**525 N. Cabrillo Park Drive, Suite 104, Santa Ana, CA 92701**

A true and correct copy of the foregoing document entitled (*specify*): **SUMMONS AND NOTICE OF STATUS CONFERENCE IN ADVERSARY PROCEEDING [LBR 7004-1]; COMPLAINT FOR: (1) AVOIDANCE OF ACTUAL FRAUDULENT TRANSFERS; (2) AVOIDANCE OF CONSTRUCTIVE FRAUDULENT TRANSFERS; (3) RECOVERY OF AVOIDED TRANSFERS; (4) DECLARATORY RELIEF RE VALIDITY, PRIORITY AND EXTENT OF INTEREST IN REAL PROPERTY LOCATED AT 5700 ETIWANDA, MIRA LOMA, CA 91752; STATUS CONFERENCE PROCEDURES FOR THE HON. SCOTT H. YUN AND LOCAL RULE FORM F 7016-1 JOINT STATUS REPORT [LBR 7016-1 (a)(2)]** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On **05/06/2021**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

- **United States Trustee (RS)** ustpregion16.rs.ecf@usdoj.gov
- **Edward A Villalobos** VillalobosBK1@gmail.com, notices@blclaw.com

☐ Service information continued on attached page

**2. SERVED BY UNITED STATES MAIL:**

On **05/06/2021**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☒ Service information continued on attached page

**3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (*state method for each person or entity served*): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on \_\_\_\_\_, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

**05/06/2021**

**IMELDA BYNOG**

*Date*

*Printed Name*

*Isi Imelda Bynog*  
*Signature*



**SERVED BY UNITED STATES MAIL:**

Andres Palacios Duque  
12908 Reindeer Ct.  
Riverside, CA 92503

Yamilex A. Palacios  
5700 Etiwanda Ave  
Mira Loma, CA 91752-2260

Ines L. Bello Palacios  
716 E. 1<sup>st</sup> Street  
Santa Ana, CA 92701-5337

Elias Palacios  
10390 Arlington Ave  
Riverside, CA 92505-1102

Nereyda M. Mendoza Palacios  
4041 Honeysuckle Street  
Riverside, CA 92501-1533

Ana C. Palacios  
7941 Slate Creek Road  
Corona, CA 92880-8591